



V 2.0 MARCH 2023





Contents

Schedule 1.....	3
Schedule 2.....	4
Meetings of core network practices	4
Schedule 3.....	11
Activities	11
Schedule 4.....	13
Financial arrangements	13
Schedule 5.....	15
Workforce	15
Schedule 6.....	17
Insolvency	17
Schedule 7.....	18
Arrangements with other organisations outside the PCN	18
ANNEX A	19
Election and Appointment of a PCN Clinical Director	19

NB: All items highlighted may be amended and personalised to suit each individual Primary Care Network.



Schedule 1

Schedule one, as submitted to the CCG should be inserted here.



Schedule 2

Meetings of core network practices

PRINCIPLES

In addition to the clauses as set out in the Network Contract Directed Enhanced Service Mandatory Network Agreement (“**Network Agreement**”) the [X] Primary Care Network (“**PCN**”) hereby agrees the following principles of working as a PCN:

1. DECISION MAKING AND GOVERNANCE

The [X] PCN consists of the member practices (“**PCN Member(s)**”) as set out in these schedules. As a result, it is agreed that adequate decision making processes need to be established in order for the PCN to make decisions in respect of collaborating between PCN Members on the delivery of certain projects and services, as more particularly defined within the Network Contract Directed Enhanced Service (“**DES**”).

The PCN shall establish a PCN Overseeing Group (“**The Overseeing Group**”) which shall consist of the following:

- i. An appointee of each PCN Member (“**Appointee**”). Each Appointee shall produce confirmation in writing that they have full authority of their respective PCN Member to act and vote in accordance with the terms of reference of the Overseeing Group. **[The Overseeing Group shall elect or appoint a “Convenor” from amongst its number to ensure the efficient running of meetings of the Overseeing Group. Alternatively, the Convenor role may be rotated amongst the Appointees. The Convenor [shall/shall not] be the Clinical Director].**
- ii. The Clinical Director of the PCN **[who shall be elected or appointed in accordance with the processes set out in clause 16 and 17 of this schedule 2].**
- iii. A representative from the Local Medical Committee (“**LMC**”) who ideally is also a member of the PCN in a non-voting capacity.
- iv. The Overseeing Group may, with the agreement of each PCN Member, invite:
 - v. A member of a **[GP federation/other support organisation]** (Associate Member). **For the avoidance of doubt no Associated Member of the PCN shall have any power or authority to vote at any PCN Overseeing Group and shall only be an associate member for the purposes of any subcontracting arrangements under a formal written agreement.**
- i. The Overseeing Group shall act and make decisions in good faith for the



ultimate benefit, and in the best interests of the PCN. An Appointee to the Overseeing Group shall be entitled to sit on the Overseeing Group and shall hold their position on the PCN for such time as they hold the relevant authority from their PCN Member, or until they are removed from the Overseeing Group following one of the events as set out in section 3 herein. The Overseeing Group shall be entitled to vote on matters that may affect the PCN and shall cover the following areas:

- Information sharing and data protection issues.
- Election or appointment of a Clinical Director.
- Coordination of services and delivery under any Directed Enhanced Service (“DES”) or Local Incentive Scheme (“LIS”).
- Engagement and/or deployment of staff for delivery under the DES.
- Communication with the [X] clinical commissioning group (“Commissioner”) on delivery of services.
- Setting up a bank account and management of funding.
- Any issues which involve obtaining advice on any tax, VAT, legal or any other professional advice.
- Changes in delivery of any services due to PCN Members joining or leaving or any other event.
- Dispute resolution for matters not covered by section 12 of this Schedule (2).
- Support and assistance to any PCN Member in need.

[The above list may be amended to suit a PCN’s requirements.]

Any decisions of the PCN that may affect the PCN as a whole and cover the following areas shall be referred to PCN Members for approval. These shall include, but shall not be limited to:

- Any new practice wishing to join the PCN.
- Variations to this Network Agreement.
- Any change in the appointment or election method of the Clinical Director.
- Decisions regarding the allocation or distribution of any finances.
- Decisions as to the engagement of any organisation outside of the PCN.
- Coordination and structuring of service delivery, including subcontracting.

[The above list may be amended to suit the PCN’s requirements.]



2. MEETINGS OF THE OVERSEEING GROUP

Overseeing Group meetings shall be convened **[no less than quarterly]** and notices, which shall include the date, time and venue, shall be sent to Appointees via email or any other preferred agreed medium by the **[Convenor]**. **[Such meetings may take place remotely through appropriate digital means.]**

The quorum for a decision to be taken shall be **[X]** **[or shall be [X] Appointees or by [unanimous representation or through weighted votes based on list size].**

In the event that an Appointee cannot attend, then that Appointee may send a proxy who shall be selected from the relevant PCN Member.

In the event that the Clinical Director cannot attend then the Overseeing Group shall decide whether to defer the meeting until such time as the Clinical Director can be present or may decide that the content of the meeting is such that the absence of the Clinical Director shall have no impact on any of the decisions the Overseeing Group makes .

The Convenor shall, with agreement from the Overseeing Group and Clinical Director, send out an agenda at least 7 days before any Overseeing Group meeting of matters to be discussed together with any relevant documentation to each Appointee and PCN Member.

[Each Appointee to the Overseeing Group may have one vote. In the event that a vote of the Overseeing Group is deadlocked then the Clinical Director shall have the casting vote.]

Minutes shall be taken during each meeting and these will be circulated to all PCN Members by the **[Convenor]** as soon as possible after the meeting for information/correction, with formal approval at the next meeting of the Overseeing Group.

3. DECISIONS OF THE PCN

Decisions that are to be put to the PCN Members shall be circulated at least **[7 days in advance]** together with the relevant details of the items to be decided and any relevant documentation. The Overseeing Group shall also notify the PCN Members of the date, time and venue of any meeting or, if agreed, by the PCN Members shall notify that the voting is to be conducted electronically and managed by the **[Convenor]**. **[The method of voting shall be at the discretion of the Overseeing Group, however, if the majority of the PCN Members indicate a preference for a meeting then the Overseeing Group will make every attempt to accommodate that preference.]**

4. VOTING OF THE PCN MEMBERS

Voting shall be conducted on the basis of **[one vote per PCN Member on a show of hands]** or **[shall be weighted in accordance with each PCN Member's list size. In the event of a deadlock, the Clinical Director shall have the casting vote, or the proposal shall be reworked]**



and discussed amongst the PCN Members before being put to the vote again.]

5. EXPELLING AN OVERSEEING GROUP APPOINTEE

An Appointee may be removed by the unanimous vote of the remaining Appointees, if that Appointee:

- Is incapacitated to an extent that the Appointee is unable (in the reasonable opinion of the remaining Appointees) to perform any duties under the Network Agreement or has not adequately attended or contributed to the duties over a period of 12 months.
- Is detained compulsorily in hospital or received into guardianship under the Mental Health Act 1983 or has a deputy appointed under the Mental Capacity Act 2004.
- Willfully neglects their duties under the Network Agreement and persistently breaches their obligations as an Appointee.
- Does or omits to do anything that brings or could potentially bring the PCN into disrepute.
- Fails to maintain an adequate standard of performance or attendance at the Overseeing Group meetings and fails to perform their duties as an Appointee.
- Is suspended from practising as a registered practitioner by any relevant professional or regulatory body, or if employed by a PCN Member is suspended by that PCN Member.

[The above list may be amended to suit the PCN's requirements.]

6. PRACTICES APPLYING TO JOIN THE PCN

We acknowledge and agree that there are minimum standard clauses set out in the Network Agreement for a practice wishing to join the PCN (“**Joining Member**”).

However, we hereby agree the following additional clauses:

- A Joining Member shall indicate in writing that it wishes to do so and shall submit the same to the Clinical Director.
- The Clinical Director shall submit the request to the Overseeing Group and, if agreed, a due diligence questionnaire shall be sent to the relevant Joining Member to complete and submit to the Overseeing Group within such timeframe as the Overseeing Group shall decide. The due diligence shall be conducted on the basis of ascertaining whether the Joining Member is able to perform under any Network Agreement and would be an effective addition to the PCN.
- On the basis of the responses to the due diligence questionnaire the Overseeing Group shall put a proposal before the PCN Members for a vote.
- If the Joining Member is accepted by the PCN then the Overseeing Group shall put the request to the Commissioner for approval.



- Any Joining Member shall agree to follow the principles of the PCN and the terms of this Network Agreement including but not limited to any services or processes that are already in progress subject to the agreement of the other PCN Members.
- There may be occasions where the Commissioner may seek to oblige the PCN to accept a new PCN Member. The Overseeing Group may discuss the inclusion and decide whether to accept the Joining Member. The Overseeing Group may discuss the inclusion and decide whether to impose any necessary terms or conditions on that Joining Member.
- The Joining Member shall sign this Network Agreement.
- Any Joining Member shall only be permitted to join the PCN with the approval of the Commissioner.

7. MERGING PCN MEMBERS

In the event that any PCN Member wishes to merge with or takeover a practice that is not a PCN Member (“New Practice”) then the New Practice shall be treated as a Joining Member for the purposes of the Network Agreement. Any merger or takeover, shall, be treated under the same principles as a Joining Member. Any PCN Member undertaking or considering to undertake a merger or takeover of a New Practice shall prior to merging or taking over that New Practice inform the PCN of the same. A full due diligence shall be conducted on any New Practice by the relevant PCN Member with a view to ascertaining the viability and suitability of that New Practice in forming part of the PCN. The due diligence report shall be shared with the Overseeing Group in accordance with data protection legislation.

8. LEAVING MEMBERS

We acknowledge and agree that the minimum standard clauses 60 to 79 as set out in the Network Agreement for a PCN Member wishing to leave the PCN (“Leaving Member”).

However, we hereby agree the following additional clauses:

- A Leaving Member shall indicate in writing that it wishes to do so and shall submit the same to the Clinical Director and give a minimum of 6 months’ notice.
- The remaining Appointees shall consider the request and decide whether, depending on the circumstances, six months’ notice to leave the PCN is adequate or if a longer period of notice may be mutually agreed between the Overseeing Group and the Leaving Member. All Appointees (save and except the Leaving Member) shall vote on the matter and any longer period of notice required by the remaining Appointees shall be binding on that Leaving Member.
- The remaining Appointees shall decide whether a Leaving Member will have an adverse



effect on the delivery of services, PCN workforce, and any financial commitments, and shall be entitled at their sole discretion (acting reasonably) to set such appropriate terms and conditions as necessary to ensure the continued viability of the PCN and any contractual arrangements and commitments it may have at the time.

- For the avoidance of doubt, the Appointees and/or PCN agree that (insofar as possible) acting reasonably, nothing in any exit terms shall significantly disadvantage the Leaving Member. Any exit terms shall be fair and reasonable in respect of the Leaving Member and shall take into account any circumstances and/or delivery of services applicable at that time.
- A Leaving Member shall not at any time, use, divulge or communicate to any person any information relating to the affairs of the PCN or any PCN Member.

In addition, the Leaving Member shall be required to:

- Make all reasonable appropriate arrangements with regard to workforce so as to alleviate any unnecessary disruption to any services.
- Pay or settle any outstanding finances due and owing by it to any organisation or to the PCN.
- Execute such documents or make any other arrangements as appropriate and reasonably determined by the PCN to ensure the continued viability of the PCN in the delivery of any services.
- Pay any legal or other professional fees incurred by the PCN in relation to any direct consequences of the Leaving Member exiting the PCN.

[The above list may be amended to suit the PCN's requirements.]

9. RESIGNATION OF A LEAD PRACTICE

- In the event a Lead Practice wishes to resign ("Resigning Practice") then it shall inform the Clinical Director and give a minimum of 3 months' notice in writing.
- The Appointees shall consider the request and decide whether, depending on the circumstances, 3 months' resignation notice is adequate, or whether a longer period of notice is required. In the event a longer period of notice is required by the Overseeing Group (acting reasonably), then the Resigning Practice shall be bound by that longer notice period. For the avoidance of doubt, any notice period shall not exceed 6 months.
- The Appointees shall decide if the resignation of the Lead Practice shall have an adverse effect on the delivery of services and any financial commitments, and shall be entitled (acting reasonably) to set such terms and conditions as necessary and appropriate to ensure the PCN is not disadvantaged by any service delivery. The Appointees reserve the right to require the Lead Practice to fund any legal or other costs directly associated with or arising out of the resignation.



- For the avoidance of doubt, the Appointees agree that nothing in any exit terms shall significantly disadvantage the Resigning Practice and shall ensure that any exit terms are fair and reasonable in respect of the Resigning Practice taking into account any circumstances and/or delivery of services in applicable at that time.
- The Appointees shall propose a new Lead Practice from one of the other PCN Members who shall be required to agree in writing that they shall undertake the role of Lead Practice. As a consequence, the PCN shall seek to amend the PCN Schedules, ensure that any PCN designated bank account is transferred to, or otherwise held by the new Lead Practice and shall make any changes necessary to update any employment arrangements (where applicable), for any employed staff. Changes to establish the new Lead practice shall be made by no later than the termination date of the Resigning Practice.
- In addition, the Resigning Practice shall be required to:
- Make all reasonable appropriate arrangements with regard to workforce so as to alleviate any unnecessary disruption to any services.
- Pay or settle any outstanding finances properly due and owing by it to any organisation or to the PCN.
- Execute such documents or make any other arrangements as necessary and determined by the PCN to ensure the timely transfer of Lead Practice responsibilities.

10. EXPELLING A MEMBER

A PCN Member may be expelled by the PCN (“**Expelled Member**”) under the mandatory clauses within the Network Agreement and in addition, under the circumstances set out below:

- If the Expelled Member does anything that as a result of which, in the reasonable opinion of the Overseeing Group, the interests of the PCN, or any individual PCN Member, may be seriously injured or prejudiced or significantly brought into disrepute.
- The Expelled Member is placed into special measures by the Care Quality Commission and/or is threatened with closure and/or termination by the Commissioner.
- The PCN Member fails to send an Appointee to attend any meeting of the Overseeing Group or any larger meeting of the PCN on at least 3 occasions during the course of 12 months.

[THE ABOVE LIST MAY BE AMENDED TO SUIT PCN REQUIREMENTS]

An Expelled Member shall be removed on notice and under such terms and conditions as the Overseeing Group deems appropriate (acting reasonably), having regard specifically to clause 8 herein. The Expelled Member shall agree to abide by any such terms and shall use all best



endeavours to ensure that the sustainability and viability of the PCN is maintained and shall mitigate any risks financial or otherwise in respect of the PCN.

In the event that a PCN Member holding an alternative provider medical services (“APMS”) agreement transfers that agreement (or the agreement is re-procured) to another organisation, then the PCN shall treat the organisation now holding the APMS agreement in the same way as a Joining Member and shall not be automatically obliged to accept the new organisation into the PCN.

For the avoidance of doubt, in the event the PCN exercises its right to expel a PCN Member under this clause, but the PCN Member is not formally removed by the Commissioner then the remaining PCN Members may at their discretion impose such terms and conditions on the proposed Expelled Member as is fair and reasonable to ensure the sustainability or viability of the PCN.

11. FAILURE TO COMPLY

In the event that a PCN Member being either: 1) a Leaving Member, 2) an Expelled Member or 3) a Resigning Practice fails to complete all actions as required of it, in accordance with the Network Agreement and this Schedule 2, and furthermore fails to complete such actions within such reasonable period of time as the Overseeing Group shall determine then:

The relevant PCN Member shall fully indemnify the PCN for any loss, damage, expenses, claims, liabilities and any other costs, howsoever arising, whether direct or indirect, attributable to and associated with either;

- (i) That PCN Member’s failure to comply with any leaving conditions as set by the Overseeing Group and/or
- (ii) Any breach of this Network Agreement or any other agreement

12. DISPUTE RESOLUTION

In the event of any dispute arising within the PCN, each PCN Member agrees to follow the 4 stage dispute resolution process as follows:

Stage 1 (informal): The PCN Members shall agree that in the event of a dispute between some or all of them, they shall use all reasonable endeavours to resolve the dispute amicably between them. Such resolution shall take place within **[7 days]** of the remaining PCN Members being notified of the dispute.

Stage 2 (facilitation): In the event the dispute cannot be resolved amicably between them, a facilitated meeting shall be constituted comprising of the following:

- A representative from both parties in dispute; and
- An LMC representative (where available)

The meeting shall meet within a reasonable timeframe and shall hear the dispute from both parties



by way of oral and/or documentary evidence. The panel shall make its recommendations within **[14 days]** of hearing the dispute and the parties to the dispute shall be informed of the decision forthwith.

Stage 3 (mediation): Failing an amicable resolution of the dispute, the parties in dispute shall agree to resolve the dispute by way of mediation, through a mediator, to be appointed by agreement. The costs are to be reasonably divided by the parties in dispute.

Stage 4 (arbitration): In the event that mediation still fails to resolve the dispute in question, then the parties shall agree that they shall promptly refer the dispute to an independent arbitrator of their joint choosing, whose decision shall be final and binding on the parties in dispute. The arbitration shall be conducted in accordance with the provisions of the Arbitration Act 1996 (save for where expressly modified by the arbitrator) and the juridical seat of the arbitration shall be England. The costs of the arbitrator shall be reasonably divided between the parties in dispute.

In the event of the parties in dispute failing to agree on a choice of arbitrator, then the matter shall be promptly referred by the parties in dispute to the Medical Director of the Local Medical Committee whose decision as to the choice of arbitrator shall be final and binding on the parties in dispute. **[Further Londonwide LMCs advice on dispute resolution is pending.]**

13. CQC NOTIFICATIONS

In the event that there are any changes to any PCN Member, or in regards to the way in which services are delivered by the PCN Members, insofar as it is required that the CQC shall be informed, then the PCN Members shall undertake to perform the necessary actions in regards to any CQC notifications.

14. INTELLECTUAL PROPERTY

Matters regarding intellectual property will be determined under the mandatory clauses 44 – 47 within the Network Agreement.

Other than the standard clauses on Intellectual Property as set out in the Network Agreement, it is agreed that in the event that two or more PCN Members develop any product to which Intellectual Property rights attach, then the PCN shall determine at the outset, via its Overseeing Group, as to how those Intellectual Property rights shall be owned and divided.

In the event that a PCN Member leaves the PCN then, unless the Overseeing Group otherwise determines in writing, that PCN Member shall forgo all Intellectual Property rights in any product where those rights are jointly owned by the PCN Members.



15. CONFLICTS OF INTEREST

The Clinical Director shall maintain a register of any PCN Member interests and shall adopt a conflicts of interest policy to determine whether any Appointee or any other member of the Overseeing Group (including the Clinical Director) with a relevant interest, can participate in meetings and/vote on any relevant matters.

16. ELECTION AND APPOINTMENT OF A CLINICAL DIRECTOR

The Overseeing Group shall decide the process for appointment of the Clinical Director. This may be by election, selection, or a combination of both. **[Further Londonwide LMCs advice on election and appointment process is attached.]**

17. ELECTION PROCESS

Electorate The electorate for these elections shall be the PCN Members

Returning officer

There shall be a Returning Officer for the election process who shall be independent. The Returning Officer details are as follows:

- [Name]
- [Contact details]

The role of the Returning Officer is to oversee the election, particularly in ensuring that the election and appointment of the Clinical Director is fair and transparent. The Returning Officer shall, if necessary, adjudicate on any disputes which may arise in respect of the election and process.

The decision of the Returning Officer in relation to any dispute shall be final

Election mechanism

The election mechanism to be used is 'first past the post'.

Casting of votes

PCN Members will receive a ballot paper on which to record their vote. Votes shall be based on the consensus view of the PCN Members.

Each PCN Member shall be entitled to one vote.

This ballot paper must be returned by email to the Returning Officer by the deadline stated on the ballot paper in order to count as a valid vote. **Ballot papers returned after the deadline will not be counted and will be deemed invalid.**



Each PCN Member is asked to vote for a number of candidates who have been nominated. Candidates may nominate themselves. This is to be done by marking the ballot paper with an “X” against the names of the candidates whom they wish to support.

If **MORE THAN** one candidate on each ballot paper is marked with an X, or the vote is unclear, the ballot paper will be deemed to be **SPOILT** and the vote on that ballot paper will be counted.

This ballot paper must be signed by a senior GP Principal from the PCN Member to confirm that all the GPs in the PCN Member have participated in the voting process and this is a fair representation of the PCN Member vote.

The Returning Officer will send reminders to PCN Members as the deadline for the return of the ballot papers approaches.

The Returning Officer may, on the last day of the open voting, contact PCN Members who have not yet voted to check that ballot papers have not gone astray due to any technical issues. As PCN Members are entitled to abstain from voting and not submit a ballot paper, any such contact shall not be regarded as a request to vote.

Please note that it is incumbent on PCN Members to provide the relevant and appropriate contact details to the Returning Officer so that correspondence is sent correctly.

Election

The candidate with the highest total number of votes who has not been eliminated will be elected to the position of Clinical Director.

ANNOUNCEMENT OF RESULTS

Only the Returning Officer can announce the results of the election. This will be done as soon as possible by email and no later than one week following the close of the election ballot.

18. APPOINTMENT OF A CLINICAL DIRECTOR

The PCN has set out the following process for the appointment of a Clinical Director.

Applications will be invited by sending the relevant application form to PCN Members setting out the criteria and specification for the role of the PCN with information as to the date and time for the return of those applications. Applications received after the closing date will not be considered.

The criteria/specification for the role will be set out in an Annex appended to the application form and any candidate wishing to be considered for the role shall ensure that they meet the appropriate conditions and qualifications, demonstrate that they have a good knowledge of what the role entails and understand what would be expected of them in fulfilling the requirements of supporting the PCN.



Applications shall be considered by a selection panel made up of 5 individuals as follows:

- 3 PCN Member Appointees
- 1 director/Chief Executive of the **[federation]**
- A representative of the Local Medical Committee

The panel shall convene on a set date where applications will be opened, considered and assessed based on the agreed criteria/specification.

The panel shall agree a suitable candidate and the decision of the panel shall be final.

The name of the candidate shall be communicated to PCN Members no later than [48 hours] after the decision has been made.



Schedule 3

Activities

1. SERVICE DELIVERY

PCNs have been established, with the purpose of:

- i. Securing the right workforce balance across the local neighbourhood to support practices deliver good quality primary medical services.
- ii. Developing effective co-ordinated wider care for their patients within the local health and care system.
- iii. Providing Commissioners in STPs/ICSs strong bottom-up direction on how the whole system can support these outcomes.
- iv. Deciding on the level, coordination and configuration of any services and seeking adequate legal and financial advice for the production of any sub-contracts.

Before committing to the delivery of a new service the Overseeing Group shall ensure:

1. The service is financially viable.
2. The service is deliverable by the PCN.
3. The PCN is equipped with the required workforce.
4. That contract negotiations for the new service between the LMC (as your representative) and the Commissioners have concluded, and the final contract is agreed by your LMC.

The Overseeing Group shall decide on the level, coordination and configuration of any services to be delivered whether determined under the DES or locally determined incentive scheme.

The Overseeing Group in making the decision shall have regard to the following:

- The capability and resources of each PCN Member to deliver any service.
- Whether any PCN Member opts out of delivering any service.
- The expertise and workforce required for delivery.
- Utilisation of any funding in an optimum manner to deliver any service.
- Monitoring and assessing the delivery of any service.

[You may add to this list.]



2. SUB-CONTRACTING

When there are additional contracts to be delivered on top of the lead Network contract, then the Overseeing Group must ensure that there are robust sub-contracting agreements between the relevant PCN Members and any other organisations acting as contract partners in the co-production/delivery of services (See Schedule 7).

3. PERFORMANCE

The Overseeing Group shall convene at such times as necessary to receive reports from PCN Members involved in the delivery of any service to monitor the service and to ensure the service meets and continues to meet the requirements (whether contractual or otherwise) of the DES or any other contractual arrangement.

A PCN Member may report any issue of concern in relation to the delivery of any service to the Clinical Director (who shall raise this with the Overseeing Group). This may include, but shall not be limited to any matter which may reasonably give rise to a breach of the DES, or which may impact on any service delivery related to the DES.

In the event that a PCN Member is, or may be, subject to any change within their respective practice, the effect of which they consider may impact on the provision of any service, then the PCN Member shall inform the Clinical Director who may inform the Overseeing Group.

The Overseeing Group shall use all best endeavours to engage with and support any PCN Member in the performance of any service and shall create a remedial or support plan to assist that PCN Member. The cost of such a plan shall be met out of funding provided to the PCN Member for the service.

In the event that any service delivery must be reconfigured, this decision shall be taken by the Overseeing Group provided always that the Overseeing Group shall act in the interests of the PCN as a whole in reaching any decision.

In the event that any funding is reclaimed by the Commissioner the Overseeing Group shall conduct an investigation to ascertain the exact circumstances requiring the Commissioner to reclaim any funding and shall make such recommendations to the PCN as they deem fit, and in discussion with the LMC.



Schedule 4

Financial arrangements

It is agreed between the PCN Members that **[X PCN Member]** is nominated as the Lead Practice and shall receive and hold all funding from the Commissioner for the delivery of any services under the DES.

The Lead Practice enters into this agreement for itself and with the full authority of the remaining PCN Member practices who hereby agree that the Lead Practice shall be their authorised agent and shall via their agent, be legally bound to the terms and conditions of the agreement.

The Lead Practice shall agree to hold such funding on trust for the PCN and to administer any funding as agreed from time to time by the Overseeing Group solely for the purposes of any delivery of services by the PCN or in relation to the same.

The funds shall be held in **[X bank account]** and shall have 2 signatories **[describe who the signatories are]**.

Prior to the PCN delivering any service, the Overseeing Group shall consider the issues that are relevant to that delivery in terms of workforce, cost and configuration and shall compile a report to the PCN detailing the items as set out in Schedule 3. This report shall specifically ensure that all costings (including any potential shortfalls), risk, VAT and tax, clinical or other delivery and any other legal, contractual, or any other significant issues have been considered.

Each PCN Member shall then have the opportunity to decide whether to participate in the delivery of services and shall inform the Overseeing Group of the same **[within 7 days]** on receipt of the report so that the Overseeing Group may make a decision regarding the configuration and funding.

In the event that the PCN agrees to deliver any locally commissioned services under the DES, once those services are configured and it is decided which PCN Member(s) shall be involved in the delivery of those services, then the Lead Practice shall administer the funding in a manner as determined by the Overseeing Group in such amounts and at such times as formally agreed by the **[Overseeing Group/PCN]**.

The Lead Practice agrees that any funding so received under this schedule shall be kept separate to any funding relating to that Lead Practice's primary medical services contract and any other contract falling outside of the PCN.

Payments to PCN Members shall be determined by the Overseeing Group in accordance with, and taking account of, amongst other matters, the following:

- The input of each PCN Member delivering the service.
- The workforce required to deliver any service.
- Any shortfall or potential shortfall in funding.



- The split of any profits between PCN Members which shall ordinarily be linked to the amount of the service delivered by each PCN Member.
- The cost of any additional insurance or indemnities that a PCN Member may be required to provide e.g. health and safety, employee indemnity, public liability and any other relevant insurance or indemnity.
- Any taxation including but not limited to VAT. (The Overseeing Group hereby agrees it shall consult with the appropriate specialists or accountants in respect of tax and VAT implications on the delivery of any service).
- The effects of any PCN Member leaving or joining on any fees and/or funding payable.
- Management costs of running the PCN including meetings, correspondence, administration etc.
- Costs of legal and/or financial or other specialist advice.
- Any banking fees and/or charges incurred by the LeadPractice.
- Any agreed out of pocket expenses of the Overseeing Group or any one PCN Member in relation to the business of the PCN.

The Overseeing Group shall keep good accounts of any funding received and any expenditure and shall ensure that the PCN is provided with a report of the same at least once every **[X months]**.

PAYMENT

The PCN agrees that on delivery of the DES, the services relating to the DES shall be delivered by the PCN Members in accordance with the terms of the DES and any other agreement between the PCN Members (and any other relevant party) which will be shared with the Overseeing Group, that relate to how the services are to be delivered and configured between them.

Any invoicing and payment arrangements shall be determined and agreed before any service delivery by any PCN Member.

Any failure to perform any adjustments to any funding shall be decided on a case by case basis and governed by the terms of any agreement for the delivery of that service.



Schedule 5

Workforce

The PCN shall be required to engage or employ individuals for the purpose of delivering services under the DES. In doing so the PCN via its Overseeing Group, shall have regard to the following:

- The items as set out in Schedule 3 and 4 herein.
- Whether there is adequate resource available within the PCN Members.
- The requirements of any relevant or agreed locally contracted service.
- Any report compiled by the Overseeing Group setting out the configuration and cost of any services and any workforce arrangements/requirements, including but not limited to deployment of workforce within the PCN.
- Costs of engaging or employing any individual.
- Any VAT implications.
- Any pension implications.
- Any indemnity implications or employment liabilities.
- How costs of employment are proportioned to the individual PCN Members. This will be based on the following principles:

[Add to this list if required.]

When employing or engaging workforce, the PCN shall decide upon the contractual arrangements that should be put into place. This may include any staff sharing agreements or joint contracts of employment.

Where the workforce is employed there shall be a formal process of engagement which shall be the responsibility of the **[Overseeing Group]**. This shall include advertising for the role, job description(s) and interviews. The Overseeing Group shall receive and shortlist applications for any advertised role.

Staff shall be engaged on employment contracts together with robust employment policies. It shall be made clear to whom each member of staff shall report to, particularly where a member of staff is likely to work for several PCN Members across different sites.



The sharing of any staff shall be via formal arrangements between the PCN Members which shall set out in detail as a minimum:

- Hours/times worked for each PCN Member.
- Job function.
- Reporting lines.
- Processes for absence (howsoever arising).
- Payment, including redundancies, pay increases, settlements and claims.
- Indemnities
- Disputes.



Schedule 6

Insolvency

The PCN shall agree to the standard mandatory clauses as set out in the Network Agreement.



Schedule 7

Arrangements with other organisations outside the PCN

There are two clear mechanisms whereby a PCN might engage with other organisations:

1. formally, as contract partners co-producing/delivering services; and
2. consultatively, as partners servicing their designated population, but not necessarily as co-signatories to the DES.

In the event that the PCN wishes to engage with organisations outside of the PCN, then the PCN should follow the process as set out below:

The PCN, via its Overseeing Group, shall consider the reason for engaging an external organisation and shall ensure that a reasonable due diligence has been conducted on that organisation before any formal engagement. The Overseeing Group shall, on the basis of the due diligence received, compile a report to the PCN setting out the details of the engagement and any payment/fees payable for the services that are to be performed by the external organisation on behalf of the PCN.

The PCN shall consider the report and shall vote in accordance with the principles set out in Schedule 2 herein.

Any engagement of an external organisation shall always be effected by way of a formal legal agreement.

The Overseeing Group shall also consider any VAT and or tax implications of any external arrangement.

Further to the mandatory clauses, this Network Agreement constitutes the entire agreement and supersedes and extinguishes all previous arrangements and agreements relating to services delivered via the DES unless such agreements are incorporated herein:

[Include any other practices, federations, other PCNs or other organisations here.]

**ANNEX A****Election and Appointment of a PCN Clinical Director
(Further to PCN Schedule 2:16)**

All PCNs must have a named Clinical Director, how that post is filled and by whom is up to the PCN Members of the PCN, collectively, to decide. Selection and appointment of this post could be undertaken in a number of ways – for example, by election among PCN Members or by an appointment process. Robust governance procedures should be put in place to ensure that the appointment has been made with due diligence and the support of the PCN membership.

This checklist has been produced to inform the selection and/or election of a PCN Clinical Director in reference to schedule 2, section 16 of the se Schedules. It should be read in conjunction with the guide on the job description of a Clinical Director.

Governance and assurance

- Have you developed a clear process?
- Has this been agreed and approved by the Overseeing Group as per Schedule 2, including any subsequent revisions to process or role?
- Is the process open, transparent and enables all interested parties to be able to participate?
- Do your processes abide by data protection legislation and other relevant legislation where personal data is being processed?

Role definition, core competencies, selection of candidates

- Have you provided a role description, including the core competencies and key activities, including attendance at specific meetings? Please see our Keep it Simple guide on the job description of a Clinical Director.
- Have you set out how candidates should demonstrate the necessary competencies and skills for the role?
- Have you provided all those eligible to stand for the role with the following information:
 - Details of required competencies and skills.
 - Set out the term of office for the role, whether the same individual can be appointed for more than one term, is there a maximum number of terms they can be appointed for?



- How they will be required to demonstrate those competencies and skills? If a written statement or nomination form is to be submitted that it is clear what should be included as a minimum?
 - How, by whom, and when initial assessment against those competencies will be carried out?
 - Who would comprise the panel?
 - How the candidates' CVs or written statements will be communicated to those who are voting?
 - What will happen if insufficient applications are received?
 - Provided a named contact for any queries.
 - Is it clear what conflicts of interests would exclude a candidate from taking the position and/or need to be declared, as per Schedule 2:15?
- Have you set out how the candidates will be selected? Will this be through a selection panel or election process?

Election Process

If the PCN has agreed to use an election process to select the PCN Clinical Director, have you set out:

- A clear process for the election including:
 - Which organisation(s) is responsible for running the election and who the returning officer is (this will be the person who is responsible for ensuring the election is conducted fairly, impartially and is transparent, who is responsible for settling any disputes and queries)?
 - Defined who is eligible to vote and have contact details for them?
 - How the vote will be conducted e.g. by paper or online?
 - The voting system to be used e.g. first past the post, single transferable voting, or another system, and whether the vote will be weighted, or based on one PCN Member one vote? Have regard to Schedule 2:4 for wider advice on PCN Member voting.
 - A clear timetable with key dates for each stage:
 - Date for submitting nomination form/expression of interests.
 - Date for any selection before a vote.



- Date the voting will open.
- Date the voting will close.
- Date the results of the vote will be shared with the candidates and the PCN.

You can find our aforementioned Keep It Simple documents [here](#).